

TENNESSEE REGULATORY AUTHORITY

Ron Jones, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Sara Kyle, Director



2005 AUG 31

James Robertson Parkway
Nashville, Tennessee 37243-0505

TRA DOCKET ROOM

August 30, 2005

VIA FACSIMILE AND U.S. MAIL

Mr Kristopher E Twomey
LoKT Consulting
1519 E 14th Street, Suite A
San Leandro, CA 94577
510-868-8418 (facsimile)

RE **CommPartners, LLC: Letter of Credit # 3075445**

Provided in support of *Petition of CommPartners, LLC for Authority to Provide Competing Local Exchange Services*, TRA Docket No 05-00047

Mr. Twomey

The Tennessee Regulatory Authority has received the above-referenced letter of credit submitted on behalf of CommPartners, LLC. The letter of credit is being returned for the reasons noted on the attached deficiency page. I have attached a form letter of credit for your review. The form letter satisfies the requirements of the Tennessee Regulatory Authority.

Please correct the noted items and resubmit the letter of credit. If you have any questions, please contact me at 800-342-8359 or 615-741-2904, extension 168.

Sincerely,

Carolyn E. Reed
Counsel, Legal Division

cc. David S. Clark, President
CommPartners, LLC
3291 N. Buffalo Drive, Suite 3
Las Vegas, NV 89129-7437
702-365-8647 (facsimile)

Ben Cortes, Vice President
Standby Letters of Credit Department
Bank of America
333 S Beaudry Avenue, 19th Floor
M/C: CA9-703-19-23
Los Angeles, CA 90017

Docket File 05-00047

Letter of Credit Deficiencies

- ☐ Name of applicant/company is not stated
- ☒ Applicant/company is not the same as TRA petitioner
- ☐ Letter of credit number is not stated
- ☐ Effective date is not stated
- ☐ Expiration date is not stated
- ☐ Name of lender is not stated
- ☐ Purpose of letter of credit is not stated
- ☒ Purpose of letter of credit does not satisfy TRA requirements
- ☐ Letter of credit is not established in favor of State of Tennessee or TRA
- ☐ Letter of credit is not irrevocable
- ☐ Amount of letter of credit is not \$20,000.00
- ☐ Letter of credit does not provide that the TRA may draw upon the LOC by delivery of a notice to the lender after which the lender agrees to deliver by wire transfer the draw amount to the bank account specified in the notice
- ☐ Letter of credit does not provide for automatic renewal for successive one-year periods until canceled by lender by giving 30 days' written notice by certified mail to the TRA and the applicant/company
- ☐ Letter of credit does not provide that it is "understood that the Lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation or termination."
- ☒ Letter of credit does not certify that the lender is a bank designated as an authorized depository bank for deposit of state funds
- ☐ Letter of credit does not contain language regarding Uniform Customs and Practice for Documentary Credit
- ☐ Letter of credit is not signed by the lender
- ☐ Letter of credit is missing the address of the lender
- ☐ Letter of credit does not provide a form notice for drawing against the letter of credit

Comments:

The proposed letter of credit does not satisfy the TRA's requirements because (1) CommPartners, LLC filed the petition with the TRA but the letter of credit is on behalf of CommPartners Holding Corporation, (2) the stated purpose of the letter does not include reference to the company's representatives, successors or assigns, and (3) the letter of credit does not certify that the lender is a bank designated as an authorized depository bank for deposit of state funds. Attached are a standard letter of credit and form containing examples of acceptable language.

RECEIVED

128936

JUN 27 2005

TELECOMMUNICATIONS
REGULATORY AUTHORITY
NASHVILLE, TN 37243-0505

PAGE 1

DATE JUNE 3, 2005

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 3075445

BENEFICIARY
TENNESSEE REGULATORY AUTHORITY
460 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0505

APPLICANT
COMMPARTNERS HOLDING CORPORATION
3291 N BUFFALO DRIVE
SUITE 3
LAS VEGAS, NV 89129

AMOUNT
NOT EXCEEDING USD 20,000 00
NOT EXCEEDING TWENTY THOUSAND AND
00/100'S US DOLLARS

EXPIRATION
JUNE 1, 2006 AT OUR COUNTERS

FOR REFERENCE ONLY. RE COMPANY ID# 05-00047 AS ASSIGNED BY THE TRA

SIR/MADAM

BANK OF AMERICA, N A (THE "LENDER") HEREBY ESTABLISHES AN IRREVOCABLE LETTER OF CREDIT WHICH WILL REMAIN AVAILABLE ON BEHALF OF COMMPARTNERS HOLDING CORPORATION (THE "COMPANY") WHO WE ARE INFORMED, HAS APPLIED TO THE TENNESSEE REGULATORY AUTHORITY (THE "TRA") FOR AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICES IN THE STATE OF TENNESSEE WE UNDERSTAND THE PURPOSE OF THIS LETTER OF CREDIT IS TO SECURE PAYMENT OF ANY MONETARY SANCTION IMPOSED AGAINST THE COMPANY IN ANY ENFORCEMENT PROCEEDING BROUGHT UNDER TITLE 65 OF TENNESSEE CODE ANNOTATED OR THE CONSUMER TELEMARKETING ACT OF 1990, BY OR ON BEHALF OF THE TRA

WE HEREBY ESTABLISH AND ISSUE, IN FAVOR OF THE TRA, AN IRREVOCABLE LETTER OF CREDIT IN THE AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000 00) LAWFUL MONEY OF THE UNITED STATES OF AMERICA THE TRA MAY DRAW UPON THIS LETTER OF CREDIT, AT ANY TIME AND FROM TIME TO TIME, BY DELIVERING A "LETTER OF CREDIT NOTICE", IN THE FORM SET FORTH AS ATTACHED (A "NOTICE"), WHICH NOTICE SHALL SPECIFY THE AMOUNT (THE "DRAW AMOUNT") TO BE DRAWN AND THE BANK ACCOUNT (THE "BANK ACCOUNT") TO WHICH THE DRAW AMOUNT SHOULD BE DELIVERED AND SHALL BE SIGNED BY AN OFFICIAL DESIGNATED AND DULY AUTHORIZED BY THE TRA TO LENDER AT THE ADDRESS LISTED BELOW PROMPTLY AFTER THE DELIVERY OF EACH NOTICE, THE LENDER HEREBY COVENANTS AND AGREES TO DELIVER, BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS THE DRAW AMOUNT TO THE BANK ACCOUNT

THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY RENEWED WITHOUT AMENDMENT FOR SUCCESSIVE ONE (1) YEAR PERIODS AND MAY BE CANCELED BY THE LENDER BY GIVING AT LEAST THIRTY (30) DAYS ADVANCED WRITTEN NOTICE BY CERTIFIED MAIL OR OVERNIGHT COURIER SERVICE OF SUCH CANCELLATION TO THE TRA AND A COPY TO THE COMPANY, IT BEING UNDERSTOOD THAT THE LENDER SHALL NOT BE RELIEVED OF LIABILITY THAT MAY HAVE ACCRUED UNDER THIS LETTER OF CREDIT PRIOR TO THE DATE OF CANCELLATION.

THE LENDER HEREBY REPRESENTS AND WARRANTS THAT IT IS QUALIFIED AND AUTHORIZED TO ISSUE THIS LETTER OF CREDIT

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO 500 OR ANY REVISIONS THERETO

BANK OF AMERICA, N A



BEN CORTES
VICE PRESIDENT
STANDBY LETTERS OF CREDIT DEPT

ADDRESS OF LENDER
333 S. BEAUDRY AVENUE, 19TH FLOOR
M/C CA9-703-19-23
LOS ANGELES, CA 90017

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER 3075445

FORM OF
LETTER OF CREDIT NOTICE

QUOTE

BANK OF AMERICA, N.A.
333 S. BEAUDRY AVENUE, 19TH FLOOR
MAIL CODE CA9-703-19-23
LOS ANGELES, CA 90017

RE IRREVOCABLE LETTER OF CREDIT NO. 3075445

DEAR SIR OR MADAM

YOU ARE HEREBY NOTIFIED, AND THE UNDERSIGNED HEREBY CERTIFIES, THAT THE UNDERSIGNED IS A PURPORTED OFFICIAL DESIGNATED AND DULY AUTHORIZED BY THE TRA TO DELIVER THIS NOTICE AND THAT A MONETARY SANCTION IN THE AMOUNT OF \$ _____ (THE "DRAW AMOUNT") HAS BEEN IMPOSED AGAINST COMMPARTNERS HOLDING CORPORATION IN AN ENFORCEMENT PROCEEDING BROUGHT UNDER TITLE 65 OF TENNESSEE CODE ANNOTATED OR THE CONSUMER TELEMARKETING ACT OF 1990, BY OR ON BEHALF OF THE TRA.

PURSUANT TO THAT CERTAIN IRREVOCABLE LETTER OF CREDIT REFERENCED ABOVE, WE HEREBY REQUEST THAT YOU DELIVER PAYMENT OF THE DRAW AMOUNT TO THE BANK ACCOUNT LISTED BELOW BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS

NAME OF BANK ACCOUNT _____
ACCOUNT NUMBER _____
ABA ROUTING NUMBER _____
REFERENCE _____
NAME OF CONTACT _____
TELEPHONE NUMBER _____
FACSIMILE NUMBER _____

SINCERELY,

TENNESSEE REGULATORY AUTHORITY

NAME
TITLE
UNQUOTE

IRREVOCABLE LETTER OF CREDIT

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

REFERENCE Name of Company authorized by TRA _____

Company ID # as assigned by the TRA _____
Irrevocable Letter of Credit Number _____
Effective Date _____
Expiration Date _____

Sir/Madam

You have requested of **[Name of Lending Institution]** (the "Lender") that we establish an irrevocable letter of credit which will remain available on behalf of **[Applicant]** (the "Company") who has applied to the Tennessee Regulatory Authority (the "TRA") for authority to provide telecommunications services in the state of Tennessee. The purpose of this letter of credit is to secure payment of any monetary sanction imposed against the Company, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA.

We hereby establish and issue, in favor of the TRA, an irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America. The TRA may draw upon this letter of credit, at any time and from time to time, by delivering a Letter of Credit Notice, substantially in the form set forth below (a "Notice"), which Notice shall specify the amount (the "Draw Amount") to be drawn and the bank account (the "Bank Account") to which the Draw Amount should be delivered and shall be signed by an official designated and duly authorized by the TRA, to Lender at the address listed below, or to such other address as the Lender shall notify the TRA in writing by certified mail. Promptly after the delivery of each Notice, the Lender hereby covenants and agrees to deliver, by wire transfer of immediately available funds, the Draw Amount to the Bank Account.

This letter of credit shall be deemed automatically renewed without amendment for successive one-year periods and may be canceled by the Lender by giving thirty (30) days advanced written notice by certified mail of such cancellation to the TRA and the Company, it being understood that the Lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation.

The Lender hereby represents and warrants that it is qualified and authorized to issue this letter of credit and is a bank designated by the Treasurer of the State of Tennessee as an authorized depository bank for the deposit of state funds.

Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500, or any revisions thereto.

Yours Very Truly,

[Name of Lending Institution]

Name:

Title:

Address of Lender:

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing letter of credit and found the same to be sufficient and in conformity to law and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this _____ day of _____, 20____

Name
Title

FORM OF LETTER OF CREDIT NOTICE

[Name of Lender]
[Address]

Re Irrevocable Letter of Credit No []

Dear Sir or Madam

You are hereby notified, and the undersigned hereby certifies, that the undersigned is an official designated and duly authorized by the TRA to deliver this notice and that a monetary sanction in the amount of \$_____ (the "Draw Amount") has been imposed against [Applicant] its representatives, successors or assigns, in an enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA

Pursuant to that certain Irrevocable Letter of Credit referenced above, we hereby request that you deliver payment of the Draw Amount to the bank account listed below by wire transfer of immediately available funds

Name of Bank Account _____
Account Number _____
ABA Routing Number _____
Reference _____
Name of Contact _____
Telephone Number _____
Facsimile Number _____

Please confirm receipt of this Notice and the Federal Reserve wire confirmation number of the delivery of the Draw Amount by sending a facsimile to the person at the number listed above

Sincerely,

TENNESSEE REGULATORY AUTHORITY

Name
Title